

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)	
)	
URBAN CHESTNUT BREWING)	Case No. 24-43233
COMPANY, INC.)	
)	Chapter 11
)	
)	
Debtor.)	
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**UNITED STATES OF AMERICA’S RESERVATION OF RIGHTS WITH RESPECT TO
FIRST INTERIM APPLICATION FOR COMPENSATION OF LEWIS RICE AS
COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

COMES NOW the United States of America, on behalf of its agency, the United States Small Business Administration (the “SBA”), by and through its counsel, Sayler A. Fleming, United States Attorney for the Eastern District of Missouri, and Joshua M. Jones, Assistant United States Attorney for the Eastern District of Missouri, and for its Reservation of Rights with Respect to First Interim Application for Compensation of Lewis Rice as Counsel to Official Committee of Unsecured Creditors (Doc. 131), states as follows.

1. Urban Chestnut filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code on September 6, 2024. *See* Doc. 1. On December 4, 2024, the SBA filed a proof of claim in the amount of \$2,208,964.00. *See* Claim 13-1. Appended to Claim 13-1 is a Security Agreement executed on February 11, 2022. *See* Claim 13-1, Part 2. The Security Agreement secures a loan with an original principal balance of \$2,000,000. *Id.* The collateral securing the SBA’s loan includes, but is not limited to, all of Debtor’s inventory, equipment, instruments, and chattel. *Id.*

2. On January 16, 2025, Lewis Rice, as counsel for the Official Committee of Unsecured Creditors, filed its First Interim Application for Compensation. *See* Doc. 131. In the

application, Lewis Rice “an order awarding Lewis Rice LLC \$42,903.00 as its interim allowance of compensation with respect to Fees and granting such other and further relief as is just and equitable.” *Id.* at 19.

3. The prayer for relief in Lewis Rice’s application does not make it clear whether it seeks an order *allowing* the requested fees or whether it seeks an order directing those fees to be paid. Presently, there are no unencumbered estate assets from which Lewis Rice’s application can be paid. Nevertheless, to the extent fees and expenses set forth in the application are allowed by this Court, the United States reserves all rights to oppose any subsequent *payment* of the same from property that is subject to the SBA’s security interests (or, for that matter, from any assets subject to security interests held by Midlands State Bank, as the SBA has guaranteed Midlands’ loan).

Respectfully submitted,

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Certificate of Service

Pursuant to L.R. 9004(D)(1) and L.R. 9013-1(A), the undersigned hereby certifies that on January 16, 2025, a copy of the foregoing was filed electronically and therefore served by operation of the Court's CM/ECF system upon all parties in interest participating in said system.

Pursuant to L.R. 9004(D)(2) and L.R. 9013-1(A), the undersigned hereby certifies that a copy of the foregoing was filed electronically on January 16, 2025, and then a copy of the foregoing was mailed, via United States Postal Service, first-class postage prepaid, to the following list of parties in interest who do not participate in the CM/ECF system:

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